

CENTRAL INTELLIGENCE AGENCY (H)

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THIS IS UNEVALUATED INFORMATION

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1. Officials of USIA's Trattnerhof Headquarters and the USIA Central Commercial Bureau recently held a meeting to discuss the poor showing made by USIA plants during 1950. According to reports submitted by Soviet directors of the various USIA factories, most of these enterprises suffered heavy financial losses during the past year, aside from the estimated depreciation on their machinery and a depletion of their supplies of raw materials.*
2. The only USIA plants to show a profit for 1950 were the Klosterneuburger Holzindustrie G.m.b.H., with a net profit of approximately 800,000 schillings, and the Erste Oesterreichische Maschinasindustrie A.G., with a net profit of more than 2,000,000 schillings. These earnings were offset by USIA losses, which were especially heavy in the following plants:

Siemens-Schuckertwerke A.G.
Wiener Kabel- und Metallwerke A.G.
Wiener Leichtmetallwerke G.m.b.H.
Accumulatoren-Fabrik G.m.b.H.
Faithwerke

3. Factory directors attributed their losses to the shortage of raw materials and to the necessity for keeping on the pay-rolls workers who, for lack of raw materials, cannot be economically employed. The manager of the Accumulators-Fabrik GmbH, H. stated that he would have to close down the plant within a week unless he could obtain immediately 500 pounds of new or scrap lead.
4. Since October 1950 the number of USIA factory workers has been reduced from 15,000 or 16,000 to 11,000 or 12,000. Socialists and workers without political affiliations were the first to be dismissed, leaving very few non-Communists in USIA plants. The Communist Party hopes to prevail on USIA officials to keep Communist workers at all costs.**

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* Comment:

for lack of raw materials, various USIA factories in Vienna XX have been forced to curtail production and lay off workers. These factories are reportedly in such financial difficulties that the Christmas bonuses for 1950 were only half as large as those given in 1949. 25X1

* Comment: The present move to organize protests against government-permitted exports of raw materials is designed to put on the Austrian government the blame for further layoffs which may be necessary in USIA plants. 25X1

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